

# ANALYSIS OF FACTORS GOVERNING THE MARKET PRICE OF SHARES FOR SELECTED COMPANIES – INFRASTRUCTURE SECTOR

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## ABSTRACT

*The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure between 2018-2030.*

*This paper focuses on the factors governing the market price of the shares in Infrastructure Sector of Companies such as ABB, Abode, Adani, BEML, BHEL. This study has examined the relationship between dependent variables Market Price Per Share (MPS) and independent variables Dividend Per Share (DPS), Earning per Share (EPS), Net Profit Margin (NPM), Return on Equity (ROE) and Return on Assets (ROA). To fulfill this objective the researchers have collected secondary data related to market price and the financial variables of fore said companies. The collected data was analyzed with E-Views and Excel. The research results found that all the financial variables are not having relationship with market price and it has influence in certain aspects.*

**Key words:** Market Price Per Share (MPS), Dividend Per Share (DPS), Earning per Share (EPS), Net Profit Margin (NPM), Return on Equity (ROE) and Return on Assets (ROA)

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## 1. INTRODUCTION

Infrastructure is generally understood as the basic building blocks required for an economy to function efficiently. Infrastructure is a key driver of the overall development of Indian economy. Infrastructure sector focuses on major infrastructure sectors such as power, roads and bridges, dams, and urban infrastructure.

- Highways, Streets, and Roads.
- Bridges.
- Mass Transit, Airports, and Airways.
- Water Supply and Resources.
- Waste Management and Waste Water Management.
- Power Generation and Transmission.
- Telecommunications.
- Hazardous Waste Removal and Storage.

India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region. Even though there are so many players in this industry, ABB, Abode, Adani, BEML and BHEL are the renowned. Hence the study was attempted to measure how the variables like Dividend per Share, Earning per Share, Net Profit Margin, Return on Equity and Return on Assets are influencing market price of the share. Even the attitude of the investor has also role in determining the price of financial instruments (Gopinath *et al.*, 2019; Gopinath, 2019 b).

## 2. REVIEW OF LITERATURE

Panda (1980) interpreted the aspect of stock exchanges pre- and post-period of independence India. This study reveals that the indexed stocks are enclosed with four-fifths of the companies in the joint stock sector. Investment on securities was not high on the ownership of any circumstance in a level or of a few specific people. It engages the consideration of a larger number of small and middle-class persons. It was noticed that an extensive dimension of accumulation moved in the first adduce into redeem of securities then expressed. In case of consumer goods, the consumer's preference and choice about goods are the factors deciding the turnover and profitability of the companies (Gopinath, 2019c).

Balkrishnan (1984) attended an inquiry on book value per share and market price per share of the stock. This study defends that higher book value per share affirm financial soundness and imply the healthy statement about the equity fund. This study is certain that investors believe that a firm with higher financial base will develop more advanced EPS in forthcoming. Thus, most forth took a long point expectant persistent conduct from the firm.

Rendra Akbar and Sri Herianingrum (2015) have analyzed the effect of Price Earnings Ratio (PER), Price Book Value (PBV) and Debt to Equity Ratio (DER) on stock returns Vendor property and real estate listed in Indonesian Sharia Stock Index (ISSI) in the period 2011-2013. Results in this study indicated that the independent variables Price Earnings Ratio (PER) and variable Debt to Equity Ratio (DER) significantly shown negative effect on stock returns, meanwhile the variable Price Book Value (PBV) significantly shown positive effect on stock returns. Usharani and Gopinath (2020 b). inferred that the customer Perception on Organized Retail Stores

Mita Misma Dianti *et al* (2020) have investigated the effect of returning assets and the ratio of debt to capital to price to book value in property and real in Indonesia period 2016-2018.

The study was conducted with the objective of analyzing whether return on assets affect the price to book value of property and real estate sub-sector companies listed on the Indonesia Stock Exchange and the impact of the debt to equity ratio affect the price to book value in the property and real estate sub-sector companies. The results showed the variable return on assets did not affect the price to book value but debt to equity ratio affects the price to book value. Usharani and Gopinath (2020 a) confirmed that the Study on Consumer Behaviour on Green Marketing with reference to Organic Food Products.

### 3. OBJECTIVE OF THE STUDY

To analyze the Normality, Stationarity, Linear Relationship, and impact of financial variables on

Market price per share and in Infrastructure Sector

### 4. RESEARCH METHODOLOGY

**Period of Study** - The period of study is for 10 years (i.e., 2009 to 2019).

#### 4.1. Data Collection

The study is conducted and analyzed through secondary data. The data relating to market price and financial variables on a quarterly basis. The data was collected from Yahoo Finance, Money Control. Besides software used are E-Views and Excel to analyse the study.

#### 4.2. Statistical Tool of Analysis

To analyze the relationship between the market price per share and financial variables, the study employed

- Correlation Test
- Regression Analysis.

**Variables Used for Study** - For purpose of this study, Market Price per Share is taken as dependent variable, Earnings Per Share, Dividend Per Share, Net Profit Margin, Return on Assets and Return on Equity as Independent Variables.

#### 4.3. Limitation of the Study

The study faces the following limitations

- The study is restricted only to the selected sectors from National Stock Exchange
- The study has been restricted to 10 years period from (2009 to 2019)
- The research work is constructed only on secondary data
- The present study is relied on quarterly data basis and the major findings of the study may not hold good to the rest of stocks selected from National stock exchange.

### 5. ANALYSIS AND INTERPRETATION

#### 5.1. Correlation

*Analysis of Linear Relationship Between Market Price and Financial Variables in ABB*

H<sub>0</sub>: There is no relationship between Market Price per Share and Financial variables

H<sub>1</sub>: There is relationship between Market Price per Share and Financial variables

**Table 1** Linear Relationship of MPS and Financial Variables in ABB

	IV		DV	IV		
	DPS	EPS	MPS	NPM	ROA	ROE
DPS	1	0.860124	-0.14776	0.810626	0.875048	0.862776
EPS	0.860124	1	0.116061	0.956003	0.99513	0.997369
MPS	-0.14776	0.116061	1	0.072916	0.086841	0.090471
NPM	0.810626	0.956003	0.072916	1	0.936739	0.944706
ROA	0.875048	0.99513	0.086841	0.936739	1	0.995951
ROE	0.862776	0.997369	0.090471	0.944706	0.995951	1

**Source:** From Money Control and Processed by E-Views

**Note:** IV – Independent Variables, DV – Dependent Variable, DPS – Dividend per Share, EPS – Earnings per Share, MPS – Market price per share, NPM – Net Profit Margin, ROA – Return on Assets, ROE – Return on Equity

Table 1 denotes the correlation between dependent variable and independent variables in ABB. The analysis of variables of relationship between market price per share and financial variables indicates

Dividend per share has -0.14776 relationship -Negative Correlation

Earnings per share have 0.116061 - Positive Correlation

Net Profit Margin has 0.072916 - Positive Correlation

Return on Assets has 0.086841 - Positive Correlation

Return on Equity has 0.090471 - Positive Correlation

Hence there is significant relationship between financial variables and market price per share. Among the financial variables, dividend per share has negative relationship with market price. Rest of the variables have positive relationship with market price among those Earnings per Share is found to have highest influence on market price of the share.

#### **Analysis of Linear Relationship Between Market Price and Financial Variables in Abode**

$H_0$ : There is no relationship between Market Price per Share and Financial variables

$H_1$ : There is relationship between Market Price per Share and Financial variables

**Table 2** Linear Relationship of MPS and Financial Variables in Abode

	IV		DV	IV		
	DPS	EPS	MPS	NPM	ROA	ROE
DPS	1	-0.24984	0.271892	0.423385	0.504794	0.581837
EPS	-0.24984	1	-0.64116	-0.70444	-0.79971	-0.79231
MPS	0.271892	-0.64116	1	0.840973	0.837308	0.797237
NPM	0.423385	-0.70444	0.840973	1	0.93249	0.95468
ROA	0.504794	-0.79971	0.837308	0.93249	1	0.977156
ROE	0.581837	-0.79231	0.797237	0.95468	0.977156	1

**Source:** From Money Control and Processed by E-Views

**Note:** IV – Independent Variables, DV – Dependent Variable, DPS – Dividend per Share, EPS – Earnings per Share, MPS – Market price per share, NPM – Net Profit Margin, ROA – Return on Assets, ROE – Return on Equity

Table 2 shows the correlation analysis of Abode. The relationship between market price per share and financial variables

Earnings per share (-0.64116) - Negative Correlation

Dividend per share (0.271892) - Positive Correlation

Net Profit Margin (0.840973) - Positive Correlation

Return on Assets (0.837308) - Positive Correlation

Return on Equity (0.797237)- Positive Correlation

There is a relationship between financial variables and market price per share. Earnings per share is found to have negative relationship with market price where as other variables are found to have positive relationship. Notably Net Profit Margin and Return on Assets are found to have equivalent level of prominent influence on market price.

#### ***Analysis of Linear Relationship Between Market Price and Financial Variables in Adani***

H<sub>0</sub>: There is no relationship between market price per share and financial variables

H<sub>1</sub>: There is relationship between market price per share and financial variables

**Table 3** Linear Relationship of MPS and Financial Variables in Adani

	IV		DV	IV		
	DPS	EPS	MPS	NPM	ROA	ROE
DPS	1	-0.03442	0.064057	-0.2785	-0.2377	-0.42732
EPS	-0.03442	1	-0.48295	0.581254	0.972708	0.89587
MPS	0.064057	-0.48295	1	-0.18964	-0.43071	-0.49979
NPM	-0.2785	0.581254	-0.18964	1	0.652741	0.555046
ROA	-0.2377	0.972708	-0.43071	0.652741	1	0.95243
ROE	-0.42732	0.89587	-0.49979	0.555046	0.95243	1

**Source:** From Money Control and Processed by E-Views

**Note:** IV – Independent Variables, DV – Dependent Variable, DPS – Dividend per Share, EPS – Earnings per Share, MPS – Market price per share, NPM – Net Profit Margin, ROA – Return on Assets, ROE – Return on Equity

Table 3 explains the correlation analysis of Adani. The variables have following relationship

Dividend per share (0.064057)- Positive Correlation

Earnings per share (-0.48295) - Negative Correlation

Net Profit Margin (-0.18964)- Negative Correlation

Return on Assets (-0.43071)- Negative Correlation

Return on Equity (-0.49979) - Negative Correlation

Even though there is a relationship between financial variables and market price per share except dividend per share, rest of the variables are having negative relationships with market price of Adani shares.

#### ***Analysis of Linear Relationship Between Market Price and Financial Variables in BEML***

H<sub>0</sub>: There is no relationship between Market Price per Share and Financial variables

H<sub>1</sub>: There is relationship between Market Price per Share and Financial variables

**Table 4** Linear Relationship of MPS and Financial Variables in BEML

	IV	DV	IV	IV	DV	IV
	DPS	EPS	MPS	NPM	ROA	ROE
DPS	1	-0.58539	0.71835	-0.58345	-0.57337	-0.58461
EPS	-0.58539	1	-0.89281	0.999883	0.999662	0.999985
MPS	0.71835	-0.89281	1	-0.8918	-0.88994	-0.89303
NPM	-0.58345	0.999883	-0.8918	1	0.999594	0.999827
ROA	-0.57337	0.999662	-0.88994	0.999594	1	0.99961
ROE	-0.58461	0.999985	-0.89303	0.999827	0.99961	1

**Source:** From Money Control and Processed by E-Views

**Note:** IV – Independent Variables, DV – Dependent Variable, DPS – Dividend per Share, EPS – Earnings per Share, MPS – Market price per share, NPM – Net Profit Margin, ROA – Return on Assets, ROE – Return on Equity.

Table 4 depicts the correlation analysis of BEML. The results were

Earnings per share (-0.89281) - Negative Correlation

Net Profit Margin (-0.8918) - Negative Correlation

Return on Assets (-0.88994)- Negative Correlation

Return on Equity (-0.89303) - Negative Correlation

Dividend per share (0.71835) - Positive Correlation

Hence, the relationship was exist between the financial variables and the Market Price per Share, but still out of five, four variables found to have negative relationship and only one variable has positive relationship with Market Price per Share of BEML.

### ***Analysis of Linear Relationship Between Market Price and Financial Variables in BHEL***

H<sub>0</sub>: There is no relationship between market price per share and financial variables

H<sub>1</sub>: There is relationship between market price per share and financial variables

**Table 5** Linear Relationship of MPS and Financial Variables in BHEL

	IV		DV	IV		
	DPS	EPS	MPS	NPM	ROA	ROE
DPS	1	0.105388	0.535548	0.99053	0.988849	0.951785
EPS	0.105388	1	0.020664	0.099344	0.128867	-0.04664
MPS	0.535548	0.020664	1	0.579803	0.568233	0.571715
NPM	0.99053	0.099344	0.579803	1	0.998756	0.964951
ROA	0.988849	0.128867	0.568233	0.998756	1	0.956791
ROE	0.951785	-0.04664	0.571715	0.964951	0.956791	1

**Source:** From Money Control and Processed by E-Views

**Note:** IV – Independent Variables, DV – Dependent Variable, DPS – Dividend per Share, EPS – Earnings per Share, MPS – Market price per share, NPM – Net Profit Margin, ROA – Return on Assets, ROE – Return on Equity.

Table 5 Exhibits the relationship between financial variables and market price of BHEL shares.

Dividend per share (0.535548) – Positive Correlation

Return on Assets (0.568233) – Positive Correlation

Return on Equity (0.571715) – Positive Correlation

Net Profit Margin (0.579803) – Positive Correlation

Earnings per share (0.020664) – Positive Correlation

All the financial variables are positively correlated to market price of the share of BHEL, specifically return on assets, return on equity and net profit margin are found to have equal level of influence in market price of shares of BHEL.

## **5.2. Regression**

### ***Analysis of Effect of Financial variables and MPS in ABB***

**H<sub>0</sub>:** There is no significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of ABB

**H<sub>1</sub>:** There is a significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of ABB

Dependent variable :	Market Price per Share
Independent Variable :	Return on Equity (ROE)
	Return on Assets (ROA)
	Earnings Per Share (EPS)
	Dividend Per Share (DPS)
	Net Profit Margin (NPM)
Multiple R value :	0.442
R Square value :	-0.257
F value :	0.631
P value :	0.689

**Table 6** Impact of Financial variables on Market price per share of ABB

Variables	Unstandardized coefficients	SE of B	t value	P value
(constant)	0.049	0.192	0.261	0.806
Return on Equity (ROE)	-2.217	2.513	-0.882	0.425
Return on Assets (ROA)	-0.652	2.517	-0.300	0.778
Earnings Per Share (EPS)	3.501	2.812	1.224	0.281
Dividend Per Share (DPS)	-1.407	1.409	-0.998	0.374
Net Profit Margin (NPM)	-0.611	0.690	-0.884	0.426

In Table 6 describes the influence of finance variables on market per price. Since the p value greater than 0.01, the null hypothesis accepted. Hence there is no influence of ROE, ROA, EPS, DPS and NPM on Market price of ABB shares.

#### ***Analysis of Effect of Financial variables and MPS in Adobe***

***H<sub>0</sub>***: There is no significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of Adobe

***H<sub>1</sub>***: There is a significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of Adobe

Multiple R value :	0.847
R Square value :	0.657
F value :	4.459
P value :	0.086

**Table 7** Impact of Financial variables on Market price per share of Adobe

Variables	Unstandardized coefficients	SE of B	t value	P value
(constant)	2.005	0.940	2.133	0.099
Return on Equity (ROE)	2.509	4.921	0.509	0.637
Return on Assets (ROA)	6.128	3.195	1.198	0.127
Earnings Per Share (EPS)	-10.80	5.441	-1.985	0.118
Dividend Per Share (DPS)	2.707	1.269	2.135	0.099
Net Profit Margin (NPM)	-0.404	1.194	-0.339	0.751

Table 7 explains the influence of finance variables on market per price Adobe. The p value of all the independent variables are more than 0.01, therefore the null hypothesis is accepted for above mentioned cases.

#### ***Analysis of Effect of Financial variables and MPS in Adani***

***H<sub>0</sub>***: There is no significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of Adani

***H<sub>1</sub>***: There is a significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of Adani

Multiple R value	:	0.526
R Square value	:	-0.065
F value	:	0.888
P value	:	0.561

**Table 8** Impact of Financial variables on Market price per share of Adani

Variables	Unstandardized coefficients	SE of B	t value	P value
(constant)	0.264	0.280	0.943	0.398
Return on Equity (ROE)	-0.631	0.717	-0.879	0.428
Return on Assets (ROA)	2.223	1.588	1.398	0.234
Earnings Per Share (EPS)	-1.646	1.601	-1.028	0.361
Dividend Per Share (DPS)	0.624	2.226	0.280	0.739
Net Profit Margin (NPM)	-0.117	0.212	-0.554	0.609

#### ***Analysis of Effect of Financial variables and MPS in BEML***

***H<sub>0</sub>***: There is no significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of BEML

***H<sub>1</sub>***: There is a significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of BEML

Multiple R value	:	0.526
R Square value	:	-0.065
F value	:	0.888
P value	:	0.561

**Table 9** Impact of Financial variables on Market price per share of BEML

Variables	Unstandardized coefficients	SE of B	t value	P value
(constant)	0.138	0.344	0.401	0.708
Return on Equity (ROE)	-5.700	7.947	-0.717	0.512
Return on Assets (ROA)	-0.983	1.710	-0.575	0.596
Earnings Per Share (EPS)	7.433	10.726	0.693	0.526
Dividend Per Share (DPS)	0.663	0.461	1.438	0.223
Net Profit Margin (NPM)	-0.741	2.504	-0.296	0.781

Table 9 portrays the impact of finance variables on market price per share of BEML. Though the p value of all the variables is more than 0.01, the null hypothesis is accepted and no impact of these variables was found on market price per share.



***Analysis of Effect of Financial variables and MPS in BHEL***

***H<sub>0</sub>***: There is no significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of BHEL

***H<sub>1</sub>***: There is a significant effect of the independent variables viz., ROE, ROA, EPS, DPS and NPM on Market Price (MPS) of BHEL

Multiple R value	:	0.502
R Square value	:	-0.118
F value	:	0.809
P value	:	0.597

**Table 10** Impact of Financial variables on Market price per share of BHEL

Variables	Unstandardized coefficients	SE of B	t value	P value
(constant)	2.128	2.867	0.742	0.499
Return on Equity (ROE)	-1.354	5.214	-0.259	0.807
Return on Assets (ROA)	-25.274	30.312	-0.883	0.451
Earnings Per Share (EPS)	0.477	1.494	0.319	0.765
Dividend Per Share (DPS)	-8.788	9.613	-0.914	0.412
Net Profit Margin (NPM)	-37.880	36.192	1.038	0.357

Table 10 shows the influence of finance variables on Market price per share. P value of all finance variables are greater than 0.01, so the null hypothesis is accepted.

## 6. FINDINGS, SUGGESTIONS AND CONCLUSIONS

### 6.1. Findings - Correlation

- ABB and Adani - Dividend per share has negative relationship with MPS of ABB, rest of the factors are positively correlated.
- Abode – in MPS of Abode also Earnings per share has positive relationship and rest of the factors are negatively related.
- BEML – dividend per share is positively associated with MPS of BEML and other variables are negatively related to MPS
- BHEL – all the financial variables are positively associated MPS of BHEL.

### 6.2. Regression

- **ABB** - P Value ( $0.68 > 0.05$ ) leads us to the acceptance of null hypothesis and infer that there is no significant relationship between the variables of **ABB**. Durbin Watson stat is 2.26. R-Squared is 0.44 considered to be low effect. The variables altogether do not influence the independent variable. Unit change in Earning per share will have an increase in MPS by 3.50.
- **Abode** - The value of coefficient determination R- Squared is 0.847 and after removing the optimistic bias valued at 0.6577 detailing that 65.77 variations in MPS with the independent variables. The result of Durbin Watson stat of **Abode** is 2.43 (Negatively auto correlated). The variables jointly do not influence the dependent variable. The coefficient DPS, ROA, ROE mildly favorable for the data model.
- **Adani** - R-Squared of **Adani** seems to be a moderate effect size. The p value is  $0.56 > 0.05$ , for the combined variables, we can understand that, there is no significant effect

on the dependent variable. The sign coefficient DPS and ROA are favorable. Hannan Quinn Criterion is low, so greater the fit.

- **BEML** - The coefficient of determination R – Squared is 0.87 of **BEML**, null hypothesis is accepted and conclude that there is no relationship between the variables. Akaike info criterion and Hannan Quinn Criterion is low showing substantial evidence for the model. The variable EPS and DPS seems to lightly influence the dependent variable.
- **BHEL** - P Value is .59 greater than 0.05, resulting into rejection of Alternate hypothesis of **BHEL**. Therefore, there is no significant relationship with the variables. Durbin Watson is greater than 2 and clarifies that the variables are negatively auto correlated. R-Squared is 0.50 which a moderate fit for the model.

### 6.3. Suggestions

Market Players like Traders, Investors, Financial Advisors, Stock brokers were anxious due to market crashes. Hence the suggestion for the market players following from which can execute better in terms of performance and action. Even the corporate Governance also has impact on market price of shares (Gopinath, 2019 a).

The current study exposes those instabilities in the stock return and market return of companies listed at NSE. The excessive point of fluctuations is not required from the attitude of investors and the companies. Suggestions related to study were given below.

- In order, to increase ROE, the management must reinvest the money in company which will increase the total assets and in turn will increase the Return on Equity. The company must create a demand for the share to generate good profit and return on equity. Distribute the cash which are idle. By boosting the amount of debt capital relative to its equity capital, a company can increase its return on equity.
- To increase the market price per share, create the demand in investors and try to make the supply low. Obviously, when there is demand for shares market price will certainly increase.
- Dividend per share indicates company profits that are paid to shareholders. When Dividends increase there will be an increase in cashflow. The company raises its dividends to draw additional equity investments.
- Reduce the expenses, enhance the revenue there will be an increase of Return on Assets.
- To get better Net Profit Margin by increasing revenues, through selling more goods and service or boost the prices. Can also reduce cost and labour costs.
- Earnings per share can be increased by the company by expanding the margin of lowering costs. They can also apply share buybacks, which means that they lower the number of shares is bought without making any alterations to profit. This in turn will have an increase in Earnings per Share (Gopinath *et al.*, 2020).
- The up-to-date historical fluctuations in the market and companies' stock returns might be exhibited by movement outlines assist with the support of an electronic device. This will facilitate to the investors to shoot the rapid decision without indicating any forms.
- Unchanging profits of companies will control the stability in the returns of market and stock of companies. Beyond it reduces the extent of ultimate volatility.
- Constancy of Government and policies are identically significant. They affect the market and stock return. Consequently, caution should be engaged while enclosing Government policies in political and economic affairs. To set an individual department

for controlling stock exchange operation on the defense of security exchange board of India.

- It is advised that the quality companies to be enlarged together at BSE and NSE. It will present an inclusive vision on the stock and market return of the listed companies.
- Governance of income and expenditure also has the influence on the performance of the company (Saminathan *et al.*, 2020 a; 2020 b)

## 7. CONCLUSION

The kind of the time series data implies that explosiveness occurs in the Indian Stock market and perseveres to appearance of collections and has a long memory process. The study examined that relationship between financial variable and stock market returns during the study period. The function of industry plays an important role in economic development of a country. If a Country is developed, it means the industrial development and its share in the country's national output is most significant in the economic development. The development in industry is basic and the additional sectors of an economy were jointly consistent with additional one. To the extent that emerging countries like India has faced disturbance, there was a scarcity in growth of industry for the lack of the capital resources. On demand to have expansion / gain, the stake holders were cautiously look out the cost effectiveness and creditworthiness of the business firms. Volatility and seasonality of market return and stock return in state of the companies conquer an important place. In 2009, the Indian stock market has suffered virulent taste during the period, due to global financial breakdown. Nevertheless, the stock market in India reinstated to its inventive stately at present. If the above suggestions are rewarded the constancy of stock and market return can be regularized and it will fetch the huge funds to the companies and more profits to the stockholders and eventually India will succeed in the economic development. In certain cases, capital performance and the way they manage their enterprise may also has influence on the market price of the shares (Selvam *et al.*, 2019; Gopinath & Chitra, 2020)

## SCOPE FOR FURTHER RESEARCH

- A study exploring the impact and effect on the factors governing the market price of the shares.
- An effort may be made to evaluate the market price of the share, using the daily, weekly, and monthly price of shares.
- Further research must be undertaken to understand the predictability of market price of share of company and the factors governing the market price of the shares.
- A study could be taken for extended period of more than 10 years (may be 15 to 40 years).
- Apart from Correlation and Regression, other statistical techniques can be used to test the factors governing the market price of shares.
- Further studies can be conducted involving other sectors.
- There are many factors which effect into rise or fall of Market price. However, the present study examines only a few factors having impact on market prices. Further research can be directed towards investigating other factors that affect the share market prices (Gopinath *et al.*, 2019)
- The study has considered the period from 2009 – 2019 only. The exchange rate has started changing radically. The rupee has begun gaining against the dollar and has

touched Rs.73.32 a dollar. The development of exchange rate movements on Sensex needs to be studied afresh.

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